



FINANCIAL CONFLICTS OF INTEREST OWNERSHIP OF FINANCIAL / TECHNOLOGY STOCKS

The employees of the Board of Governors of the Federal Reserve System and their spouses and minor children are prohibited from owning any interest in depository institutions and their affiliates, and in mutual funds that concentrate in the financial services sector. Waivers of this prohibition may be obtained in certain circumstances.

Employees holding some positions at the Board also may be prohibited from owning technology stocks or stock in mutual funds that concentrate in technology stocks. For example, if you work in the data processing area, you may be required to sell stock you own in a software company or shares in a mutual fund that concentrates in the technology sector.

What should a new employee do if owning bank and/or technology stock?

- 1) Contact a Recruitment Specialist in the Management Division to determine if your particular stock ownership could be prohibited by the Board's policy. If you have any questions whether this policy applies to your financial situation, please contact the Recruitment Function at (202) 452-3630.
- 2) Even if the policy applies, **do not under any circumstances, sell the stock prior to beginning employment at the Board of Governors.** Wait until after your start date and speak with a representative from the Board's Ethics Department. If divestiture is required, you may be able to obtain special tax treatment of any resulting capital gains. However, such tax treatment may be available only if certain documentation (obtained from the Board) is completed **before** the stock is sold.